

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

MOHAMMAD KHATIB, and  
LISA KHATIB

JUDGE COLEMAN

MAGISTRATE JUDGE COX

)  
) No. **18CR 816**  
)

) Violation: Title 26, United States  
) Code, Sections 7206(1)  
)

**FILED**  
NOV 30 2018

THOMAS G. BRUTON  
CLERK, U.S. DISTRICT COURT

The United States Attorney charges:

1. At times material to this Information:

(a) Trendsetter of Harvey Inc. ("Trendsetter") was a business located at 16657 Halsted Street, Harvey, Illinois, that sold merchandise including tobacco products, marijuana paraphernalia, and additives used to "cut" controlled substances, including cocaine and heroin.

(b) Defendant MOHAMMAD KHATIB was the 100% owner of Trendsetter and had day-to-day responsibility for the operation and management of the business.

(c) LISA KHATIB was married to MOHAMMAD KHATIB, and was primarily responsible for Trendsetter's bookkeeping, payroll, and making bank deposits.

(c) MOHAMMAD KHATIB and LISA KHATIB were required to file (either jointly as a married couple or individually) a Form 1040 U.S.

Individual Income Tax Return that accurately reported personal income, including income earned from Trendsetter.

(d) Between 2010 and 2015, defendants MOHAMMAD KHATIB and LISA KHATIB obtained cash from Trendsetter, which they used to pay personal expenses.

(e) Between 2010 and 2015, defendants MOHAMMAD KHATIB and LISA KHATIB failed to report cash they obtained as part of the total income they obtained from Trendsetter on their individual Federal Income Tax Returns.

(f) Between 2010 and 2015, defendant LISA KHATIB maintained two sets of records for Trendsetter, one which listed the total amount of cash generated from the sale of merchandise, and one which falsely underreported the total amount of cash generated to match the underreported amount that defendants MOHAMMAD KHATIB and LISA KHATIB reported on their individual Federal Income Tax Returns.


(g) Between 2010 and 2015, defendants MOHAMMAD KHATIB and LISA KHATIB knowingly delivered and caused to be delivered the false business records to their tax accountant so the accountant would prepare Federal Income Tax Returns for the defendants that substantially underreported their true income.

2. On or about April 15, 2015, in the Northern District of Illinois, Eastern Division, and elsewhere,

MOHAMMAD KHATIB, and  
LISA KHATIB,

defendants herein, residents of Channahon, Illinois, willfully made and subscribed, and caused to be made and subscribed, a U.S. Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2014, which return was verified by written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which income tax return defendants did not believe to be true and correct as to every material matter, in that said return reported on Line 22 that their total income was \$133,194, when defendants knew that their total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

  
UNITED STATES ATTORNEY